#### 109TH CONGRESS 2D SESSION

# H. R. 5096

To amend title 35, United States Code, to modify certain procedures relating to patents.

#### IN THE HOUSE OF REPRESENTATIVES

APRIL 5, 2006

Mr. Berman (for himself and Mr. Boucher) introduced the following bill; which was referred to the Committee on the Judiciary

## A BILL

To amend title 35, United States Code, to modify certain procedures relating to patents.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE.
- 4 This Act may be cited as the "Patents Depend on
- 5 Quality Act of 2006" or "PDQ Act".
- 6 SEC. 2. OPPOSITION PROCEDURES.
- 7 (a) In General.—Title 35, United States Code, is
- 8 amended by inserting after chapter 31 the following new
- 9 chapter:

## 1 "CHAPTER 32—POST-GRANT OPPOSITION

## 2 PROCEDURES

- "Sec.
- " 321. Right to oppose patent; opposition request.
- " 322. Real party in interest.
- " 323. Timing of opposition request.
- " 324. Limits on scope of validity issues raised.
- " 325. Institution of the opposition proceeding.
- " 326. Patent owner response.
- " 327. Amendment of claims.
- " 328. Discovery and sanctions.
- $\lq\lq$  329. Supplemental submissions.
- " 330. Hearing and briefs.
- " 331. Written decision.
- "332. Burden of proof and evidence.
- "333. Reconsideration.
- " 334. Appeal.
- " 335. Certificate.
- " 336. Estoppel.
- " 337. Duration of opposition.
- " 338. Settlement.
- "339. Intervening rights.
- " 340. Relationship with reexamination proceedings.

## 3 "§ 321. Right to oppose patent; opposition request

- 4 "(a) FILING OF OPPOSITION.—A person may request
- 5 that the grant or reissue of a patent be reconsidered by
- 6 the Patent and Trademark Office by filing an opposition
- 7 seeking to invalidate 1 or more claims in the patent. The
- 8 Director shall establish, by regulation, fees to be paid by
- 9 the person filing the opposition (in this chapter referred
- 10 to as the 'opposer'). Copies of patents and printed publica-
- 11 tions to be relied upon in support of the request must be
- 12 filed with the request. If an opposer relies on other factual
- 13 evidence or on expert opinions in support of the opposi-
- 14 tion, such evidence and opinions must be filed with the

- 1 request through one or more accompanying affidavits or
- 2 declarations.
- 3 "(b) Copies Provided to Patent Owner.—Copies
- 4 of any documents filed under subsection (a) must be pro-
- 5 vided to the patent owner or, if applicable, the designated
- 6 representative of the patent owner, at the time of filing
- 7 under subsection (a), except that if a request is made that
- 8 the identity of a real party in interest be kept separate
- 9 pursuant to section 322(b), then the identity of the real
- 10 party in interest may be redacted from the copies pro-
- 11 vided.
- 12 "(c) FILE AVAILABLE TO THE PUBLIC.—The file of
- 13 any opposition proceeding shall be made available to the
- 14 public, except as provided in section 322.

## 15 "§ 322. Real party in interest

- 16 "(a) IDENTIFICATION.—The person making a request
- 17 under section 321 shall identify in writing each real party
- 18 in interest, and the opposition pursuant to the request
- 19 shall proceed in the name of the real party in interest.
- 20 "(b) Identity Kept Separate Upon Request.—
- 21 "(1) IN GENERAL.—Subject to paragraph (2),
- 22 if requested by the opposer, the identity of a real
- party in interest shall be kept separate from the file
- of the opposition and made available only to Govern-
- 25 ment agencies upon written request, or to any per-

son upon a showing of good cause. If the identity of a real party in interest is kept separate from the file under this paragraph, then the opposition shall proceed in the name of the individual filing the request as the representative of the real party in interest.

"(2) EXCEPTION.—No request under paragraph
(1) to keep the identity of a real party in interest
separate from the file of the opposition may be made
or maintained if the opposer relies upon factual evidence or expert opinions in the form of affidavits or
declarations during the opposition proceeding or if
the opposer exercises the right to appeal under section 141.

### 14 "§ 323. Timing of opposition request

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15 "A person may not make an opposition request under section 321 later than 9 months after the grant of the 16 patent or issuance of the reissue patent, as the case may 17 18 be, or later than 6 months after receiving notice from the patent holder alleging infringement of the patent, except 19 that, if the patent owner consents in writing, an opposition 20 21 request may be filed anytime during the period of enforceability of the patent. A court having jurisdiction over an 22 23 issue of validity of a patent may not require the patent owner to consent to such a request.

### 1 "§ 324. Limits on scope of validity issues raised

- 2 "An opposition request under section 321 must iden-
- 3 tify with particularity the claims that are alleged to be
- 4 invalid and, as to each claim, 1 or more issues of invalidity
- 5 on which the opposition is based. The issues of invalidity
- 6 that may be considered during the opposition proceeding
- 7 are double patenting and any of the requirements for pat-
- 8 entability set forth in sections 101, 102, 103, and 112,
- 9 and the fourth paragraph of section 251, except for—
- "(1) any requirement contained in the first
- paragraph of section 112 relating to disclosing the
- best mode; and
- "(2) any issue arising under subsection (c), (f),
- 14 or (g) of section 102.

## 15 "§ 325. Institution of the opposition proceeding

- 16 "(a) Dismissal; Institution.—
- 17 "(1) DISMISSAL.—The Director may dismiss an
- opposition request that the Director determines
- 19 lacks substantial merit. The determination by the
- 20 Director to dismiss an opposition request shall not
- 21 be appealable. The dismissal of an opposition re-
- quest shall not be admissible in any civil action re-
- lated to the patent against which a dismissed re-
- 24 quest was filed.
- 25 "(2) Institution.—If the Director receives 1
- or more requests that meet the requirements of sec-

- 1 tion 321 regarding the same patent by the Director
- 2 and are not dismissed under paragraph (1), an op-
- 3 position proceeding shall be promptly instituted pur-
- 4 suant to the request or requests, but not before a
- 5 period of 9 months has elapsed since the date on
- 6 which the patent was granted.
- 7 "(3) Consolidated proceeding.—If an op-
- 8 position proceeding is instituted based upon more
- 9 than 1 opposition request, the opposition shall pro-
- 10 ceed as a single consolidated proceeding, unless later
- divided under subsection (c).
- 12 "(b) Parties.—The parties to an opposition pro-
- 13 ceeding under this section shall be the patent owner and
- 14 each opposer whose request meets the requirements of sec-
- 15 tion 321 and has not been dismissed under subsection
- 16 (a)(1).
- 17 "(c) Decision by Panel.—The Director shall as-
- 18 sign the opposition proceeding to a panel of three adminis-
- 19 trative patent judges (in this chapter referred to as the
- 20 'panel'). The panel shall decide the questions of patent-
- 21 ability raised in each opposition request for which an oppo-
- 22 sition proceeding has been instituted. The decision shall
- 23 be based upon the prosecution record that was the basis
- 24 for the grant of the patent and the additional submissions
- 25 by the parties to the opposition proceeding authorized

- 1 under this chapter. The panel may, in appropriate cases,
- 2 divide the opposition into separate proceedings if the oppo-
- 3 sition involves multiple opposition requests by different
- 4 parties.

#### 5 "§ 326. Patent owner response

- 6 "After the Director has instituted an opposition pro-
- 7 ceeding under section 325, the patent owner shall have
- 8 the right to file, within the time period set by the panel,
- 9 a response to each opposition request that is the subject
- 10 of the proceeding. The patent owner, in responding to an
- 11 opposition request, shall file with the response, through
- 12 affidavits or declarations, any additional factual evidence
- 13 and expert opinions on which the patent owner relies in
- 14 support of the response.

## 15 "§ 327. Amendment of claims

- 16 "The patent owner is entitled to request amendment
- 17 of any claims that are the subject of an opposition pro-
- 18 ceeding under this chapter, including by the addition of
- 19 new claims. The patent owner shall file any such request
- 20 for amendment with the patent owner's response to an op-
- 21 position request under section 326. The panel may permit
- 22 further requests for amendment of the claims only upon
- 23 good cause shown by the patent owner. No amendment
- 24 enlarging the scope of the claims of the patent shall be
- 25 permitted in the opposition proceeding.

#### 1 "§ 328. Discovery and sanctions

- 2 "(a) DISCOVERY.—After an opposition proceeding is
- 3 instituted under this chapter, the patent owner shall have
- 4 the right to depose each person submitting an affidavit
- 5 or declaration on behalf of any opposer, and each opposer
- 6 shall have the right to depose each person submitting an
- 7 affidavit or declaration on behalf of the patent owner.
- 8 Such depositions shall be limited to cross-examination on
- 9 matters relevant to the affidavit or declaration. No other
- 10 discovery shall be permitted unless the panel determines
- 11 that additional discovery is required in the interest of jus-
- 12 tice. The panel shall determine the schedule for the taking
- 13 of discovery under this subsection.
- 14 "(b) Sanctions.—If any party to an opposition pro-
- 15 ceeding fails to properly respond to any discovery under
- 16 subsection (a), the panel may draw appropriate adverse
- 17 inferences and take other action permitted by statute,
- 18 rule, or regulation.

## 19 "§ 329. Supplemental submissions

- 20 "The panel may permit one or more supplemental
- 21 submissions to be made by any party to an opposition pro-
- 22 ceeding under this chapter, subject to the rights and limi-
- 23 tations on discovery under section 328.

## 24 "§ 330. Hearing and briefs

- 25 "Any party to an opposition proceeding under this
- 26 chapter may request an oral hearing within the time set

- 1 by the panel. If a hearing is requested or the panel deter-
- 2 mines sua sponte that a hearing is needed, the panel shall
- 3 set a time for the hearing. The panel may permit the par-
- 4 tied to file briefs for the hearing, and shall permit cross-
- 5 examination of all affiants and declarants in the hearing,
- 6 either before the panel or by deposition taken under sec-
- 7 tion 328.

#### 8 "§ 331. Written decision

- 9 "The panel shall issue a written decision on each
- 10 issue of patentability with respect to each claim that is
- 11 the subject of an opposition proceeding under this chapter.
- 12 The written decision shall consist of findings of fact and
- 13 conclusions of law. The written decision shall become a
- 14 final determination of the Office on the issues raised in
- 15 the opposition unless a party to the opposition files a re-
- 16 quest for reconsideration and modification of the written
- 17 decision within a period set by the panel, which shall not
- 18 be less than two weeks from the date of the written deci-
- 19 sion.

## 20 "§ 332. Burden of proof and evidence

- 21 "(a) Burden of Proof.—The opposer in an opposi-
- 22 tion proceeding under this chapter shall have the burden
- 23 to prove the invalidity of a claim by a preponderance of
- 24 the evidence. The determination of invalidity shall be

- 1 based upon the broadest reasonable construction of the
- 2 claim.
- 3 "(b) EVIDENCE.—The Federal Rules of Evidence
- 4 shall apply to the opposition proceeding, except to the ex-
- 5 tent inconsistent with any provision of this chapter.

#### 6 "§ 333. Reconsideration

- 7 "If a request is filed for reconsideration of the written
- 8 decision in an opposition proceeding under this chapter,
- 9 the panel may authorize a party to the proceeding who
- 10 did not file such a request to file a response to the request
- 11 for reconsideration. Following any reconsideration, the
- 12 panel shall either deny the request for modification of the
- 13 written decision or grant the request and issue a modified
- 14 written decision, which shall constitute the final deter-
- 15 mination of the Office on the issues raised in the opposi-
- 16 tion proceeding.

## 17 **"§ 334. Appeal**

- 18 "A party dissatisfied with the final determination of
- 19 the panel in an opposition proceeding under this chapter
- 20 may appeal the determination under sections 141 through
- 21 144. Any party to the opposition proceeding shall have the
- 22 right to be a party to the appeal.

#### 23 "§ 335. Certificate

- 24 "When a decision of a panel in an opposition pro-
- 25 ceeding under the chapter has become final under section

- 1 331, 333, or 334, as the case may be, the Director shall
- 2 issue and publish a certificate in accordance with the deci-
- 3 sion, canceling any claim of the patent determined to be
- 4 unpatentable, and shall incorporate into the patent any
- 5 new or amended claims determined to be patentable. The
- 6 issuance of the certificate shall terminate the opposition
- 7 proceeding.

### 8 "§ 336. Estoppel

- 9 "(a) Estoppel.—
- 10 "(1) IN GENERAL.—Subject to paragraph (2), 11 after a certificate has been issued under section 335 12 in accordance with the decision of the panel in an 13 opposition proceeding, the determination with re-14 spect to an issue of invalidity raised by an opposer 15 shall bar that opposer from raising, in any subse-16 quent proceeding involving that opposer under this 17 title, any issue of fact or law actually decided and 18 necessary to the determination of that issue.
  - "(2) EXCEPTION.—If an opposer in an opposition proceeding demonstrates, in a subsequent proceeding referred to in paragraph (1), that there is additional factual evidence that is material to an issue of fact actually decided in the opposition proceeding, and necessary to the final determination in the opposition proceeding, that could not reasonably

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- 1 have been discovered or presented in the opposition
- 2 proceeding by that opposer, the opposer may raise,
- 3 in that subsequent proceeding, that issue of fact and
- 4 any determined issue of law for which the issue of
- 5 fact was necessary.
- 6 "(b) Expanded Definition of Opposer.—For
- 7 purposes of this section, the term 'opposer' includes the
- 8 person making the request under section 321, any real
- 9 party in interest, and their successors in interest.
- 10 "(c) New Party-in-Interest.—If a proceeding
- 11 arising by reason of additional factual evidence raised
- 12 under subsection (a)(2) involves a real party in interest
- 13 not identified to the patent owner under section 322, the
- 14 real party in interest shall notify the Director and the pat-
- 15 ent owner of that fact and of the proceeding, within 30
- 16 days after receiving notice that the proceeding has been
- 17 filed.

## 18 "§ 337. Duration of opposition

- 19 "The determination of a panel in an opposition pro-
- 20 ceeding under this chapter, including any determinations
- 21 pursuant to a request for reconsideration under section
- 22 133, shall be issued not later than 1 year after the date
- 23 on which the opposition proceeding is instituted under sec-
- 24 tion 325. Upon good cause shown, the Director may ex-
- 25 tend the 1-year period by not more than 6 months.

#### 1 "§ 338. Settlement

- 2 "(a) In General.—An opposition proceeding under
- 3 this chapter shall be terminated with respect to any op-
- 4 poser upon the joint request of the opposer and the patent
- 5 owner, unless the panel has issued a written decision
- 6 under section 331 before the request for termination is
- 7 filed. If the opposition is terminated with respect to an
- 8 opposer under this section, no estoppel under section 336
- 9 shall apply to that opposer with respect to an issue of inva-
- 10 lidity raised in the opposition proceeding. The written de-
- 11 cision under section 331 shall thereafter be issued only
- 12 with respect to issues of invalidity raised by opposers that
- 13 remain in the opposition proceeding.
- 14 "(b) AGREEMENTS IN WRITING.—Any agreement or
- 15 understanding between the patent owner and an opposer,
- 16 including any collateral agreements referred to therein,
- 17 that is made in connection with or in contemplation of
- 18 the termination of an opposition proceeding under sub-
- 19 section (a) shall be in writing. The opposition with respect
- 20 to the parties to the agreement or understanding shall not
- 21 be terminated until a true copy of the agreement or under-
- 22 standing, including any such collateral agreements, has
- 23 been filed in the Patent and Trademark Office. If any
- 24 party filing such an agreement or understanding requests,
- 25 the agreement or understanding shall be kept separate
- 26 from the file of the opposition, and shall be made available

- 1 only to Government agencies on written request, or to any
- 2 person on a showing of good cause.
- 3 "(c) Discretionary Actions Reviewable.—Any
- 4 discretionary action of the Director under subsection (b)
- 5 shall be reviewable under chapter 7 of title 5.

### 6 "§ 339. Intervening rights

- 7 "Any proposed amended or new claim determined to
- 8 be patentable and incorporated into a patent following an
- 9 opposition proceeding under this chapter shall have the
- 10 same effect as that specified in section 252 of this title
- 11 for reissued patents on the right of any person who made,
- 12 purchased, or used within the United States, or imported
- 13 into the United States, anything patented by such pro-
- 14 posed amended or new claim, or who made substantial
- 15 preparation therefor, before the certificate issued under
- 16 section 335 with respect to that amended or new claim.

## 17 "§ 340. Relationship with reexamination proceedings

- 18 "(a) ESTOPPEL.—A patent for which an opposition
- 19 proceeding has been instituted under this chapter may not
- 20 thereafter be made the subject of a request under section
- 21 302 or 311 for reexamination, by the same opposer or on
- 22 behalf of the same real party in interest, on the same
- 23 claim and on the same issue that was the basis of the
- 24 opposition proceeding.

1	"(b) Staying of Other Proceedings.—[If, after
2	an opposition proceeding has been instituted under this
3	chapter, a request for reexamination under section 302 or
4	section 311 is made by or on behalf of a person other than
5	the opposer or the same real party in interest, such reex-
6	amination shall be stayed during the pendency of any op-
7	position proceeding under this chapter.]".
8	(b) CLERICAL AMENDMENT.—The table of chapters
9	for part III of title 35, United States Code, is amended
10	by adding at the end the following:
	"32. Opposition Procedures
11	SEC. 3. PUBLICATION OF PATENT APPLICATIONS.
12	Section 122 of title 35, United States Code, is
13	amended—
14	(1) in subsection $(b)(2)$ —
	(=) == = = = = (=) (=)
15	(A) by striking subparagraph (B); and
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	(A) by striking subparagraph (B); and
16	<ul><li>(A) by striking subparagraph (B); and</li><li>(B) in subparagraph (A)—</li></ul>
16 17	<ul><li>(A) by striking subparagraph (B); and</li><li>(B) in subparagraph (A)—</li><li>(i) by striking "(A) An application"</li></ul>
16 17 18	<ul> <li>(A) by striking subparagraph (B); and</li> <li>(B) in subparagraph (A)— <ul> <li>(i) by striking "(A) An application"</li> </ul> and inserting "An application"; and</li> </ul>
16 17 18	<ul> <li>(A) by striking subparagraph (B); and</li> <li>(B) in subparagraph (A)— <ul> <li>(i) by striking "(A) An application"</li> </ul> and inserting "An application"; and</li> <li>(ii) by redesignating clauses (i)</li> </ul>
16 17 18 19 20	<ul> <li>(A) by striking subparagraph (B); and</li> <li>(B) in subparagraph (A)— <ul> <li>(i) by striking "(A) An application"</li> </ul> </li> <li>and inserting "An application"; and</li> <li>(ii) by redesignating clauses (i)</li> <li>through (iv) as subparagraphs (A) through</li> </ul>

## 1 SEC. 4. SUBMISSIONS BY THIRD PARTIES.

2	Section 131 of title 35, United States Code, is
3	amended—
4	(1) by striking "The Director" and inserting
5	"(a) In General.—The Director"; and
6	(2) by adding at the end the following:
7	"(b) Third Party Submissions.—Any party shall
8	have the opportunity to submit for consideration and for
9	inclusion in the record, prior art (including, but not lim-
10	ited to, evidence of knowledge or use, or public use or sale,
11	under section 102), to determine whether the invention
12	was known or used, or was in public use, or on sale, under
13	section 102 or would have been obvious under section 103.
14	The Director shall consider such submissions if the re-
15	quest—
16	"(1) is made in writing not later than—
17	"(A) 6 months after the date on which the
18	patent application is published under section
19	122, or
20	"(B) before the date on which a notice of
21	allowance is mailed under section 151 for a pat-
22	ent on the invention,
23	whichever occurs first;
24	"(2) is accompanied by the payment of a fee es-
25	tablished by the Director under section 41 for third
26	party submissions;

- 1 "(3) sets forth the teaching and applicability of
- 2 each reference and the basis on which the submis-
- 3 sion is offered; and
- 4 "(4) includes a sworn declaration attesting to
- 5 the relevance and accuracy of the submissions.
- 6 Information submitted under this subsection shall be con-
- 7 sidered during the examination of the patent application.".
- 8 SEC. 5. INTER PARTES REEXAMINATION.
- 9 (a) ESTOPPEL PROVISION.—Section 315(c) of title
- 10 35, United States Code, is amended by striking "or could
- 11 have raised".
- 12 (b) Final Decision.—Section 317(b) of title 35,
- 13 United States Code, is amended—
- 14 (1) in the heading, by striking "FINAL DECI-
- 15 SION" and inserting "DISTRICT COURT DECISION";
- 16 and
- 17 (2) in the first sentence, by striking "final deci-
- sion" and inserting "decision of a district court".
- 19 (c) Applicability.—Notwithstanding section
- 20 4608(a) of the Intellectual Property and Communications
- 21 Reform Act of 1999, as enacted by section 1000(a)(9) of
- 22 Public Law 106–113 (41 U.S.C. note), sections 311
- 23 through 318 of title 35, United States Code, as amended
- 24 by this section, shall apply to any patent that issues from

1	an original application filed before, on, or after November
2	29, 1999.
3	SEC. 6. WILLFUL INFRINGEMENT.
4	Section 284 of title 35, United States Code, is
5	amended—
6	(1) in the first paragraph, by striking "Upon"
7	and inserting "(a) AWARD OF DAMAGES.—Upon";
8	and
9	(2) by amending the second paragraph to read
10	as follows:
11	"(b) Willful Infringement.—
12	"(1) Increased damages.—A court that has
13	determined that the infringer has willfully infringed
14	a patent or patents may increase the damages up to
15	three times the amount of damages found or as-
16	sessed under subsection (a), except that increased
17	damages under this paragraph shall not apply to
18	provisional rights under section 154(d) of this title
19	"(2) Permitted grounds for willful-
20	NESS.—A court may find that an infringer has will-
21	fully infringed a patent only if the patent owner pre-
22	sents clear and convincing evidence that—
23	"(A) after receiving written notice from
24	the patentee—

1	"(i) alleging acts of infringement in a	
2	manner sufficient to give the infringer an	
3	objectively reasonable apprehension of suit	
4	on such patent, and	
5	"(ii) identifying with particularity	
6	each claim of the patent, each product or	
7	process that the patent owner alleges in-	
8	fringes the patent, and the relationship of	
9	such product or process to such claim,	
10	the infringer, after a reasonable opportunity to	
11	investigate, thereafter performed one or more of	
12	the alleged acts of infringement;	
13	"(B) the infringer intentionally copied the	
14	patented invention with knowledge that it was	
15	patented; or	
16	"(C) after having been found by a court to	
17	have infringed that patent, the infringer en-	
18	gaged in conduct that was not colorably dif-	
19	ferent from the conduct previously found to	
20	have infringed the patent, and which resulted in	
21	a separate finding of infringement of the same	
22	patent.	
23	"(3) Limitations on willfulness.—(A) A	
24	court shall not find that an infringer has willfully in-	
25	fringed a patent under paragraph (2) for any period	

- of time during which the infringer had an informed good faith belief that the patent was invalid or unenforceable, or would not be infringed by the conduct later shown to constitute infringement of the patent.
  - "(B) An informed good faith belief within the meaning of subparagraph (A) may be established by reasonable reliance on advice of counsel.
  - "(C) The decision of the infringer not to present evidence of advice of counsel shall have no relevance to a determination of willful infringement under paragraph (2).
  - "(4) LIMITATION ON PLEADING.—Before the date on which a determination has been made that the patent in suit is not invalid, is enforceable, and has been infringed by the infringer, a patentee may not plead, and a court may not determine, that an infringer has willfully infringed the patent. The court's determination of an infringer's willfulness shall be made without a jury."; and
  - (3) in the third paragraph, by striking "The court" and inserting "(c) EXPERT TESTIMONY.—
    The court".

## 1 SEC. 7. VENUE.

2	Section 1400 of title 28, United States Code, is
3	amended by adding at the end the following new sub-
4	section:
5	"(c) A court shall grant a motion to transfer an ac-
6	tion to a judicial district or division in which the action
7	could have been brought if—
8	"(1) such judicial district or division is a more
9	appropriate forum for the action, including any judi-
10	cial district or division where a party to the action
11	has substantial evidence or witnesses;
12	"(2) the action was not brought in a district or
13	division—
14	"(A) in which the patentee resides or
15	maintains its principal place of business;
16	"(B) in which an accused infringer main-
17	tains its principal place of business; or
18	"(C) in the State in which an accused in-
19	fringer, if a domestic corporation, is incor-
20	porated;
21	"(3) at the time the action was brought, neither
22	the patentee nor an accused infringer had substan-
23	tial evidence or witnesses in the judicial district in
24	which the action was brought; and
25	"(4) the action has not been previously trans-
26	ferred under this subsection.

- 1 "(d) For purposes of subsection (e), the use or sale
- 2 of allegedly infringing subject matter in a judicial district
- 3 shall not, by itself, establish the existence of substantial
- 4 evidence or witnesses in such a judicial district.".

#### 5 SEC. 8. INJUNCTION.

- 6 Section 283 of title 35, United States Code, is
- 7 amended by adding at the end the following: "In deter-
- 8 mining equity, the court shall consider the fairness of the
- 9 remedy in light of all the facts and the relevant interest
- 10 of the parties associated with the invention. Unless an in-
- 11 junction is entered pursuant to a nonappealable judgment
- 12 of infringement, a court shall stay the injunction pending
- 13 an appeal upon an affirmative showing that the stay would
- 14 not result in irreparable harm to the owner of the patent
- 15 and that the balance of hardships from the stay does not
- 16 favor the owner of the patent.".

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